



Foreign Agricultural Service

GAIN Report

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Egypt

Grain and Feed

Rice Voluntary Report

2001

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Report Highlights:

Export subsidy program for rice pushes Egyptian exports to a new high by making substantial gains in new markets.

Includes PSD changes: Yes

Includes Trade Matrix: Yes

Unscheduled Report

Cairo [EG1], EG

PS&D estimates for 2001 have been revised to reflect information about changes in area, production and exports. The area harvested was adjusted down from 588,000 HA to 563,000 HA for 2001. In addition, both milled production and exports were revised upward from 3.42 MMT to 3.57 MMT and 650,000 MT to 750,000 MT, respectively.

There are primarily two reasons behind the dramatic increase in rice exports. The government introduced a new subsidy program during the Egyptian marketing year (October-Sept.) in an effort to increase rice exports. Until Sept. 30, 2001 the government was paying an export subsidy of LE 100/mt for medium grain varieties and LE 200/mt for long grain varieties. The subsidy program, which ended in September, cost the government LE 50 million, which is worth about \$12 million Dollars. Secondly, the value of the Egyptian Pound against the dollar has weakened substantially during recent months. In a year's time (Dec. 00- Dec. 01), the value of the Pound dropped from approximately 3.75 LE/\$ to 4.25 LE/\$. This made Egyptian exports more competitive in price in world markets. Rice exports to traditional markets decreased substantially in 2001, but expansion into several new markets, particularly in Africa, more than made up for this decrease.

According to GOE's official export statistics, total rice exports amounted to 555,000 mt from January to September 2001. Industry experts expect that exports will reach 750,000 by the end of 2001. Export prices rebounded substantially as the export subsidy program ended in September 2001. Local industry analysts report that wholesalers are carrying increased inventories in an effort to keep prices high. Wholesalers are also keeping high stocks in anticipation of another export subsidy program for 2002. Consequently, local rough rice prices have, on average, increased from 450 LE/ton during September 2001 to 680 LE during December 2001.

According to Egyptian rice exporters, the current average export price for medium and long grain rice is \$ 290 and \$ 225/MT/FOB, respectively. This compares to \$220 and \$ 160/MT/FOB for medium and long grain, respectively, before Sept. 30,2001.

The following are Egypt's rice exports (January - September 2001) to "other" countries listed in the Export Matrix Table.

Russia	10,566
Tanzania	7,466
Rep. Congo	3,000
Emirates	8,358
Gambia	4,000
Kenya	3,844
UK	3,093
Jordan	3,132
Belarus	2,020
Ginaue	10,000
Saudi Arabia	2,389
South Africa	5,164

PSD Table						
Country:	Egypt					
Commodity:	Rice, Milled					
		2000		2001		2002
	Old	New	Old	New	Old	New
Market Year Begin		01/2000		01/2001		01/2002
Area Harvested	600	655	588	563	0	600
Beginning Stocks	452	899	1031	1304	0	1129
Milled Production	3500	3965	3422	3575	0	3802
Rough Production	5147	6100	5265	5500	0	5850
Milling Rate(.9999)	6800	6500	6500	6500	0	6500
TOTAL Imports	0	0	0	0	0	0
Jan-Dec Imports	0	0	0	0	0	0
Jan-Dec Import U.S.	0	0	0	0	0	0
TOTAL SUPPLY	3952	4864	4453	4879	0	4931
TOTAL Exports	450	560	650	750	0	700
Jan-Dec Exports	450	560	650	750	0	700
TOTAL Dom. Consumption	2471	3000	3100	3000	0	3100
Ending Stocks	1031	1304	703	1129	0	1131

Export Trade Matrix			
Country:		Units:	000MT
Commodity:			
Time period:			
Exports for	2000		2001
U.S.		U.S.	
Others		Others	
Syria	130,850	Syria	100,500
Turkey	105,447	Turkey	62,825
Libya	71,076	Romania	47,466
Romania	65,973	Libya	37,940
Sudan	22,961	Sudan	24,486
Jordan	22,413	Ukraine	18,912
Ukraine	18,839	Senegal	15,695
Tanzania	18,363	Cote D'IVOIRE	13,162
Senegal	15,095	Sirialion	10,000
Lebanon	13,558	Ghana	10,000
Total for Others	484575		340986
Others not listed	75,425		409,014
Grand Total	560000		750000